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O 131514Z JUN 75 FM AMEMBASSY BONN TO SECSTATE WASHDC PRIORITY 0734 AMEMBASSY BRASILIA IMMEDIATE

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E.O. 11652: N/A
TAGS: ENRG, BR, GW
SUBJECT: BRAZILIAN NUCLEAR DEAL: REPLIES TO
PARLIAMENTARY QUESTIONS

- 1. MOERSCH, MINISTER OF STATE (UNDER SECRETARY) IN THE FOREIGN OFFICE, GAVE THE FOLLOWING REPLIES YESTERDAY TO QUESTIONS ON THE SALE OF NUCLEAR TECHNOLOGY TO BRAZIL:
- 2. HANSEN (SPD) QUESTION: WHAT WILL THE FEDERAL GOVERNMENT DO IN ORDER TO PROPERLY COUNTERACT THE ECONOMIC WAR-LIKE CAMPAIGN OF INTERESTED US COMPANIES AND THEIR LOBBYISTS AGAINST THE PLANNED GERMAN-BRAZILIAN COOPERATION IN NUCLEAR ENERGY?

ANSWER: MR. DELEGATE, THE FEDERAL GO-ERNMENT HAS NO CONCRETE INFORMATION AND FACTS INDICATING THAT "INTERESTED US COMPANIES AND THEIR LOBBYISTS" WERE AND ARE PARTICIPATING IN THE MEDIA CONTROVERSIES ABOUT GERMAN-BRAZILIAN COOPERATION IN THE PEACEFUL UNCLASSIFIED

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UTILIZATION OF NUCLEAR ENERGY. OF COURSE, THE

FEDERAL GOVERNMENT'S DISCUSSIONS WITH THE AMERICAN GOVERNMENT INCLUDE THE MEDIA-PUBLISHED SPECULATIONS AND INACCURACIES ABOUT THE GERMAN-BRAZILIAN AGREEMENT ON THE PEACEFUL UTILIZATION OF NUCLEAR ENERGY.

3. HANSEN - QUESTION: MR. MINISTER, MAY I ASSUME THAT THE FEDERAL GOVERNMENT HAS PROVIDED FOR EVERY POSSIBLE LEGAL SAFEGUARD IN THE GERMAN-BRAZILIAN AGREEMENT, THEREBY EXCLUDING FOR ALL PRACTICAL PURPOSES THE PUBLICLY-ALLEGED MISUSE?

ANSWER: MR. DELEGATE, THE FACTS, WHICH WILL AGAIN BE CLARIFIED IN THE ANSWER TO ANOTHER QUESTION, ARE AS FOLLOWS: WE HAVE STIPULATED IN THIS AGREEMENT NOT ONLY ADHERENCE TO THE IAEA-ESTABLISHED SAFEGUARDS, BUT HAVE ALSO OBTAINED ASSURANCES FROM BRAZIL THAT SAFEGUARDS WHICH GO BEYOND THESE REQUIRED BY THE IAEA WILL BE ENFORCED. I REFER IN THIS CONNECTION TO STATEMENTS OF THE AMERICAN GOVERNMENT, STATEMENTS OF THE STATE DEPARTMENT SPOKESMAN ON JUNE 4. I PARTICULARLY APPRECIATE THAT THE BILATERAL CONSULTATIONS BETWEEN THE GERMAN AND THE US GOVERNMENTS, WHICH WERE USEFUL AND FRANK, SERVED TO CLARIFY TO THE AMERICAN SIDE THAT WE (THE GERMAN GOVERNMENT) HAD REQUESTED ADDITIONAL SAFETY MEASURES. TO REPEAT THIS POINT FOR EMPHASIS: IT WAS CONFIRMED BY THE AMERICAN SIDE THAT WE GO BEYOND THE INTERNATIONALLY ESTABLISHED STIPULATIONS BECAUSE WE ARE WELL AWARE THAT AN AGREEMENT WITH A COUNTRY, WHICH WAS HERETOFORE NOT AN NPT MEMBER. MUST GIVE PARTICULAR CONSIDERATION TO SAFEGUARD MATTERS. WE ALSO KNOW, OF COURSE, THAT BRAZIL, REGARDLESS OF WHETHER WE HAD CONCLUDED SUCH AN AGREEMENT, HAS BEEN CONSIDERED A THRESHOLD-POWER FOR QUITE SOME TIME.

4. HANSEN - QUESTION: DID I UNDERSTAND YOU CORRECTLY THAT ALL TRANSACTIONS PURSUANT TO THE GERMAN-BRAZILIAN COOPERATION AGREEMENT ARE SUBJECT TO IAEA?

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ANSWER: MR. DELEGATE, MY ANSWER TO THE NEXT QUESTION (LENZER'S) WILL PERHAPS MAKE IT EVEN CLEARER WHAT I MEANT. THIS IS A FRAMEWORK AGREEMENT, WHICH WE ARE PLANNING TO CONCLUDE. IT FOLLOWS OUR EXPORT TRADE LAW WITH RESPECT TO THE COMMITMENTS OF THE COMPANIES. IT IS UNDERSTOOD THAT, PURSUANT TO THE LEGAL PROVISIONS, THE COMPANIES ARE SUBJECT TO TERMS OF SUPPLY. THE GOVERNMENT, SO TO SPEAK, MUST LEGALLY

SPECIFY IN THIS FRAMEWORK AGREEMENT WHATEVER CAN BE LEGALLY SPECIFIED.

WE HAVE NO DOUBTTHAT THE COMPANIES, PARTICULARLY THE PARTIES TO THE AGREEMENT, WILL ADHERE TO IT. THE BRAZILIANS ALSO TOLD ME THAT, IN THE SPECIFIC INSTANCES WHERE THEY CONTACT THIRD COUNTRIES DURING

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THE WRITING OF THE PERTINENT AGREEMENTS, THEY WILL INCLUDE THE GERMAN SIDE IN THE DISCUSSIONS. THIS IS INDEED SOMETHING HERETOFORE UNUSUAL IN INTERNATIONAL TRANSACTIONS. HOWEVER, I ADMIT, THE PROBLEM ITSELF OF THIS QUESTION HAS NEVER COME UP BECAUSE THERE WAS NO NUCLEAR ENERGY. THEREFORE I HOLD WE WERE JUSTIFIED--AND OUR PARTNERS FULLY UNDERSTOOD-TO MAKE EXTRAORDINARY REQUESTS AND EXPECT THAT THESE EXTRAORDINARY REQUESTS WILL BE HONORED.

5. LENZER (CDU/CSU) - QUESTION: WHAT IS THE POSITION OF THE FEDERAL GOVERNMENT REGARDING US

OBJECTIONS TO THE PLANNED COOPERATION AGREEMENT WITH BRAZIL IN THE PEACEFUL USES OF NUCLEAR ENERGY?

ANSWER: THE FEDERAL GOVERNMENT HAS INFORMED THE US GOVERNMENT--MAY I REFER IN THIS CONNECTION TO MY ANSWER TO DELEGATE HANSEN--AT AN EARLY DATE AND COMPREHENSIVELY ABOUT THE NEGOTIATIONS WITH BRAZIL AND THEIR OUTCOME. US APPREHENSIONS THAT THE SAFEGUARDS AGREED UPON WITH BRAZIL WOULD NOT BE UNCLASSIFIED

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ADEQUATE ARE, IN THE FEDERAL GOVERNMENT'S VIEW, UNFOUNDED. THE AGREEMENT COVERS COOPERATION IN THE PEACEFUL UTILIZATION OF NUCLEAR ENERGY. IT STIPULATES COMPREHENSIVE CONTROL AGREEMENTS WHICH ARE IN HARMONY WITH OUR OBLIGATIONS PURSUANT TO THE NPT AND EVEN EXCEED THEM IN ESSENTIAL RESPECTS. I HAVE POINTED THAT OUT BEFORE.

6. LENZER - QUESTION: MR. STATE SECRETARY, COULD YOU GIVE SPECIFIC DATES FOR THE IMPLEMENTATION OF THIS AGREEMENT?

ANSWER: AS YOU KNOW, THE AGREEMENT COVERS A LONG PERIOD. I BELIEVE ABOUT 15 YEARS ARE ENVISAGED.

7. LENZER - QUESTION: IF I MAY EXPLAIN THE SUBJECT TO THE MINISTER, I DID NOT REFER TO THE PERIOD OF THE AGREEMENT BUT RATHER THE DATES FOR THE SIGNING OF THE PERTINENT AGREEMENT BY THE FEDERAL GOVERNMENT.

ANSWER: THIS IS PLANNED FOR THE NEAR FUTURE, MR. DELEGATE.

8. LENZER - QUESTION: MR. MINISTER, DO YOU AGREE WITH ME THAT IT WILL NOT BE ADVANTAGEOUS FOR THE RELATIONS OF THE FEDERAL REPUBLIC OF GERMANY TO FRIENDLY NATIONS IF, IN CONNECTION WITH SUCH COOPERATIVE AGREEMENTS, STRONG LANGUAGE IS USED, E.G. LET ME QUOTE "ECONOMIC WAR-LIKE CAMPAIGNS OF INTERESTED US COMPANIES AND THEIR LOBBYISTS"? SUCH WORDING WOULD NORMALLY BE USED BY "NEUES DEUTSCHLAND" (OFFICIAL NEWSPAPER OF THE SOVIET ZONE).

ANSWER: MR. DELEGATE, IT IS NOT THE FEDERAL GOVERNMENT'S RESPONSIBILITY TO EDIT OR CENSOR THE DELEGATES' QUESTIONS, OTHERWISE THE QUESTION AND ANSWER HOURS WOULD BECOME RATHER LENGTHY, AND THIS IS NOT ONLY TRUE FOR ONE INDIVIDUAL BUT FOR MANY. IRRESPECTIVE

THEREOF, THE FEDERAL GOVERNMENT ADHERES TO THE LANGUAGE IT HAS USED BEFORE, WHICH IS CLEAR AND NOT UNCLASSIFIED

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OFFENSIVE.

9. LENZER - QUESTION: WHAT MEASURES WILL THE FEDERAL GOVERNMENT, IF NECESSARY, TAKE, IN ORDER TO PROTECT GERMAN NUCLEAR INDUSTRY FROM DISCRIMINATORY PRACTICES BY OTHER NATIONS WITH NUCLEAR INDUSTRY AND TO OPEN ITS WAY TO INTERNATIONAL MARKETS?

ANSWER: THERE IS NO REASON TO BELIEVE THAT GERMAN NUCLEAR INDUSTRY IS THREATENED BY DISCRIMINATORY PRACTICES OF OTHER NATIONS. INDUSTRY MUST WORK ITS WAY INTO THE INTERNATIONAL MARKET ITSELF. THE FEDERAL GOVERNMENT SUPPORTS NUCLEAR RESEARCH AND DEVELOPMENT WITHIN THE FRAMEWORK OF THE 4TH NUCLEAR ENERGY PROGRAM WHICH IS KNOWN TO THE PARLIAMENT.

10. LENZER - QUESTION: MR. MINISTER, WOULD THE FEDERAL GOVERNMENT CONSIDER IT UNUSUAL IF IT WERE EXPECTED TO EXPLOIT ITS DIPLOMATIC INFLUENCE TO GIVE SUPPORT TO GERMAN NUCLEAR INDUSTRY, AS APPEARS TO

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BE A MATTER-OF-COURSE FOR THE GOVERNMENTS OF THE UNITED STATES AND FRANCE IN NUMEROUS ECONOMIC SECTORS?

ANSWER: MR. DELEGATE, THE FACT THAT WE SIGNED AND RATIFIED THE NPT (ALTHOUGH THIS WAS NOT UNCONTROVERSIAL IN THIS FORUM, AS YOU KNOW).-THE FACT THAT WE IMPROVED OUR RELATIONS WITH MANY NATIONS, AND ENTERED INTO RELATIONS WITH OTHERS, AND THE FACT THAT WE ENDEAVOR TO MAKE IT CLEAR THAT THE FEDERAL REPUBLIC OF GERMANY HAS NOT THE SLIGHTEST AMBITION TO POSE AS A QUASI-ATOMIC POWER NATION, BUT DEVOTES ALL ITS RESEARCH PROGRAMS EXCLUSIVELY TO PEACEFUL UTILIZATION IS--IN MY OPINION--AN EFFECTIVE SUPPORT TO THE EXPORT OPPORTUNITIES OF GERMAN INDUSTRY AND HAS INDEED BEEN PROVEN TO THAT EFFECT, ESPECIALLY IN THIS INSTANCE, IF I MAY SAY SO.

OF COURSE, THE FEDERAL GOVERNMENT ENDEAVORS TO BACK THE INTERESTS OF THE FEDERAL REPUBLIC OF GERMANY IN ALL QUESTIONS CONCERNING OUR ECONOMY. THE FEDERAL GOVERNMENT WILL NOT BE PUT INTO A POSITION UNCLASSIFIED

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TO SHOW PARTIALITY--IN CASE OF COMPETING GERMAN COMPANIES--TOWARD ONE PARTICULAR COMPANY. THAT'S UNDERSTOOD. ONE MUST MAKE THIS CLEAR BECAUSE SUCH A SITUATION IS CONCEIVABLE. HOWEVER, THE FEDERAL GOVERNMENT WILL CERTAINLY BE USEFUL TO INDUSTRY'S OWN INITIATIVES BECAUSE OF THE FINE STATUS OF ITS RELATIONS TO OTHER NATIONS. I BELIEVE THIS IS THE WAY TO SIMULTANEOUSLY AND HARMONIOUSLY FIX THE LIMITS BETWEEN ECONOMIC INTERESTS AND GOVERNMENT ACTIVITIES.

11. LENZER - QUESTION: WILL THE FEDERAL GOVERNMENT, ON THE STRENGTH OF ITS POSSIBILITIES, PUSH FOR MORE PRECISELY WORDED PROVISIONS WHICH WOULD EXCLUDE ANY DOUBTS ON THE SAFEGUARDS QUESTION AND OBVIATE THE NEED FOR DISCUSSIONS IN CONNECTION WITH THE NPT REVIEWS SCHEDULED AT REGULAR INTERVALS--E.G.

ARTICLE 3 CONCERNING THE PEACEFUL UTILIZATION OF NUCLEAR ENERGY--?

ANSWER: MR. DELEGATE, WE JUST CAME FROM SUCH A CONFERENCE. I WILL BE HAPPY TO LET YOU HAVE THE OPENING ADDRESS WHICH I GAVE IN THE NAME OF THE FRG, MAKING JUST THIS ESSENTIAL POINT. YOU WILL SEE THAT THIS WAS AND WILL BE OUR GUIDELINE FOR THE NEGOTIATIONS.
HILLENBRAND

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